GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3220
ANSWERED ON:22.03.2002
CENTRALLY SPONSORED PROJECTS
GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether in a bid to hasten flow of funds and speed up implementation of Union Government sponsored projects, the Union Government are considering to delegate more financial powers to the nodal Ministries as part of the administrative reforms package;

(b) if so, to what extent this decision will help cost and time over-runs in most of the projects which are at present under implementation;

(c) whether any responsibility will be fixed on ministries and departments for delay and over-cost of these projects;

(d) if so, the details thereof; and

(e) if not, by what time final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (e): The upper limit of financial powers to the administrative Ministries/Departments for approving Planinvestment proposals at their level have been enhanced from Rs.20 crores to Rs.50 crores. Further, even for projects/schemes upto Rs.100 crores, the Administrative Ministry/Deptt. would need to obtain concurrence of onlyMinistry of Finance. The enhanced delegation is effective from 18.2.2002. The higher delegation of financial powers to Ministry/Department is expected to strengthen/simplify andquicken the decision making process for Plan investment/expenditure. A system of setting up of Standing Committee in eachMinistry/Department to look into the matter for fixing responsibility for cost and time over-run is already in place. The recommendations of the Standing Committee and action taken thereon by the administrative Ministry are placed before the competent authority while obtaining approval for the investment proposals.